

TRADEMARK ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

SECURITY INTEREST

CONVEYING PARTY DATA

| Name | Formerly | Execution Date | Entity Type |
|-------------------|----------|----------------|-----------------------|
| U.S. Health, Inc. | | 10/14/2004 | CORPORATION: DELAWARE |

RECEIVING PARTY DATA

| | |
|-----------------|--|
| Name: | JPMorgan Chase Bank, as Collateral Agent |
| Street Address: | P.O. Box 2558 |
| City: | Houston |
| State/Country: | TEXAS |
| Postal Code: | 77252 |
| Entity Type: | New York banking corporation: |

PROPERTY NUMBERS Total: 1

| Property Type | Number | Word Mark |
|----------------------|---------|-----------|
| Registration Number: | 1379675 | HOLIDAY |

CORRESPONDENCE DATA

Fax Number: (212)455-2502

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: (212) 455-2254

Email: LLevy@stblaw.com

Correspondent Name: Robyn Rahbar, Esq.

Address Line 1: Simpson Thacher & Bartlett LLP

Address Line 2: 425 Lexington Avenue

Address Line 4: New York, NEW YORK 10017

ATTORNEY DOCKET NUMBER:

509203/0069

NAME OF SUBMITTER:

Lea B. Levy

Total Attachments: 6

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TRADEMARK

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GRANT OF
SECURITY INTEREST IN TRADEMARK RIGHTS

THIS GRANT OF SECURITY INTEREST IN TRADEMARK RIGHTS ("Agreement"), dated as of October ~~14~~, 2004 is made by U.S. Health, Inc., a Delaware corporation (the "Grantor"), a subsidiary of Bally Total Fitness Holding Corporation, a Delaware corporation (the "Borrower"), in favor of JPMorgan Chase Bank (formerly The Chase Manhattan Bank), a New York banking corporation, as Collateral Agent under the Collateral Agency Agreement (as defined in the Credit Agreement, described below) (the "Collateral Agent") for (i) the several banks and other financial institutions parties to the Credit Agreement, dated as of November 18, 1997, as amended and restated as of November 10, 1999, as further amended and restated as of December 21, 2001, as further amended and restated as of July 2, 2003, and as further amended and restated as of October ~~14~~, 2004 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the banks and other financial institutions parties thereto and JPMorgan Chase Bank as Agent, and (ii) the other Secured Creditors (as defined in the Guarantee and Collateral Agreement (defined below)).

W I T N E S S E T H:

WHEREAS, in connection with the Credit Agreement, the Borrower and certain of its subsidiaries, including the Grantor, have entered into the Guarantee and Collateral Agreement, dated as of November 18, 1997, as amended and restated as of October ~~14~~, 2004, in favor of the Collateral Agent (together with all amendments and modifications, if any, from time to time thereafter made thereto, the "Guarantee and Collateral Agreement");

WHEREAS, pursuant to the Guarantee and Collateral Agreement, Grantor pledged and granted to the Collateral Agent for the benefit of the Secured Creditors (as defined therein) a continuing security interest in all Intellectual Property, including the Trademarks; and

WHEREAS, Grantor has duly authorized the execution, delivery and performance of this Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and in order to induce certain Secured Creditors to make extensions of credit and other financial accommodations to the Borrower as described in the Guarantee and Collateral Agreement, Grantor agrees, for the benefit of the Secured Creditors, as follows:

SECTION 1. Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the meanings provided or provided by reference in the Guarantee and Collateral Agreement.

SECTION 2. Grant of Security Interest. Grantor hereby pledges and grants a continuing security interest in, and a right of setoff against, the Trademarks (including, without limitation, those items listed on Schedule A hereto), to the Collateral Agent for the benefit of the Secured Creditors as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of Grantor's Obligations. Upon demand made at any time an Event of Default shall occur and be continuing under the Credit Agreement, Grantor shall assign, transfer and convey the Trademarks (including, without limitation, those items listed on Schedule A hereto), to the Collateral Agent.

SECTION 3. Purpose. This Agreement has been executed and delivered by Grantor for the purpose of recording the grant of security interest herein with the United States Patent and Trademark Office. The security interest granted hereby has been granted to the Collateral Agent in connection with the Guarantee and Collateral Agreement and is expressly subject to the terms and conditions thereof. The Guarantee and Collateral Agreement (and all rights and remedies of the Collateral Agent and Secured Creditors thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 4. Acknowledgment. Grantor does hereby further acknowledge and affirm that the rights and remedies of the Collateral Agent and Secured Creditors with respect to the security interest in the Trademarks granted hereby are more fully set forth in the Credit Agreement and the Guarantee and Collateral Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

SECTION 5. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together constitute one and the same original.

SECTION 6. Governing Law. This agreement shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the day and year first above written.

U.S. HEALTH, INC.

By: 

Name:

Title:

JPMORGAN CHASE BANK

as Collateral Agent for the Secured Creditors

By: 

Name:

Title:

STATE OF ILLINOIS)
COUNTY OF COOK) ss

On the 14 day of October, 2004, before me personally came William Fanelli, who is personally known to me to be the Senior VP + Acting CFO of U.S. HEALTH, INC., a Delaware corporation; who, being duly sworn, did depose and say that she/he is the Senior VP + Acting CFO in such corporation, the corporation described in and which executed the foregoing instrument; that she/he executed and delivered said instrument pursuant to authority given by the Board of Directors of such corporation; and that she/he acknowledged said instrument to be the free act and deed of said corporation.

Elizabeth A Hippman
Notary Public

(PLACE STAMP AND SEAL ABOVE)



STATE OF New York)
COUNTY OF New York)^{SS}

On the 22nd day of October, 2004, before me personally came Barry Bergman, who is personally known to me to be the Vice President of JPMORGAN CHASE BANK, a New York banking corporation; who, being duly sworn, did depose and say that ~~she~~he is the Vice President in such corporation, the corporation described in and which executed the foregoing instrument; that she/he executed and delivered said instrument pursuant to authority given by the Board of Directors of such corporation; and that she/he acknowledged said instrument to be the free act and deed of said corporation.

Ruby V. Tulloch
Notary Public

RUBY V. TULLOCH
Notary Public, State of New York
No. 60-4769208
Qualified in Westchester County
Commission Expires May 31, 2006

(PLACE STAMP AND SEAL ABOVE)

SCHEDULE A

U.S. Trademark Applications and Registrations

U.S. Health, Inc.

| <u>Title</u> | <u>Registration Number</u> |
|--------------|----------------------------|
| HOLIDAY | 1,379,675 |